



Missouri Office of Broadband Development Capital Projects Fund 2023

Performance Report

Executive Summary

The Missouri Broadband Infrastructure Grant Program (ARPA BIP) helps providers, communities, counties, and regions invest in building broadband infrastructure in unserved and underserved areas of the state through competitive grants. In the FY2023 budget, \$265 million was appropriated for this program. The Department of Economic Development will hold multiple funding rounds in Fiscal Years 2023 and 2024 (July 1, 2022 – June 30, 2024). Approximately \$197 million is from the Capital Projects Fund (CPF) and \$68 million is from the State and Local Fiscal Recovery Fund (SLFRF).

The State of Missouri (State) entered into agreements with and received an allocation of funds under both the SLFRF and CPF from the U.S. Department of the Treasury (Treasury). The SLFRF is further implemented by Treasury through regulations (31 CFR part 35) and other guidance. The CPF is further implemented by Treasury through guidance.

The Missouri Office of Broadband Development (OBD) made awards through ARPA BIP on January 23rd, 2023 to 60 projects throughout the state¹ using \$196,737,544.00 in CPF funds². 48 of these projects use CPF funds.

Use of Funds

Due to difficulties experienced in the first reporting round the following information is a best effort based on information gathered from subrecipients in the program at the end of the reporting period.

A total of 44,781 new locations will be served using CPF funds. A breakdown of those locations is below:

- Households: 40,574
- Housing Units: 885
- Businesses: 3,157
- CAls: 165

1 ARPA BIP [Press Release](#).

2 ARPA BIP [Awarded Projects Map](#)

6,216.42 miles of fiber will be used as part of these projects.

Within the reporting period, three projects reported making connections to end user customers totaling to 444 residential locations, 208 housing locations, 126 businesses, and 2 community anchor institutions. 41.08 miles of fiber has been laid so far.

As a result of a number of inhibiting factors during the reporting period, no funds were drawn down by Missouri for subrecipient reimbursement. \$6,711,229.72 has been expended by awardees towards eligible program costs.

Projects are in various stages, with many purchasing materials and securing easements to build. Since ARPA BIP prioritized project buildout within a year, an estimated one-third of projects may be completed by the 2024 Performance Report.

Challenges

A noted challenge to construction has been Missouri's hilly and rocky terrain. Cutting through rock can greatly increase the time and expense a project incurs. Additional challenges heard by our office include:

- Supply chain issues and labor shortages
- The number of projects going on at once
- Negotiating with homeowner associations and securing permits from local entities
- Adjusting to initial reporting requirements

Perhaps the most cited challenge by awardees has been the response time from the state's 811 service to mark underground utilities.

Community Outreach

Applications that could demonstrate a robust adoption outreach plan was in place to market the new service and provide additional programming to assist households, businesses and community institutions, such as training or technical support were given a superior amount of points.

Applicants were also asked to detail critical need in the local communities they were serving with evidence of public engagement. Several projects are well into portions of their public outreach efforts which include sponsoring local events, attending community meetings with public and private stakeholders, door-to-door internet service signups, and providing technical assistance to promote digital literacy.

For full adoption and community involvement details please see the attached MO ARPA BIP Guidelines Section 9³.

Labor

Applications needed to include evidence of community involvement with the proposed

³ Missouri ARPA Funded Broadband Infrastructure [Grant Guidelines – Final](#)

project and workforce labor/continuity plan which asked applicants of the following:

- Implement high safety and training standards (e.g., professional certification, licensure, and/or robust in-house training)
- Hire local workers and/or workers from historically disadvantaged communities
- Work with qualified, well trained and well compensated workforce
- Directly employ their workforce or have policies and practices to ensure contractors and subcontractors meet high labor standards
- Whether workers on the Project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market

Several projects have committed to putting Community Benefit Agreement in place.

Promoting Equitable Outcomes

Per the program guidelines⁴, for applications to be eligible in ARPA BIP, applicants had to demonstrate that the project was designed to meet a critical need of the community to be served, as is related to access, affordability, reliability, and/or consistency.

Missouri is a largely rural state with identifiable high-poverty areas. Using a [community identifier map](#), applications were awarded a higher score based on whether or not the proposed project area fell mostly in a “Low Income Area/Qualified Census Tract”. Applications that fell in a “Higher Than Moderate Income Area” were given zero points for that scoring section.

Applications able to contribute a 20% private match were given higher weight during scoring and the program ended up with \$91,329,306.28 in match with the total project cost at 304,918,331.00.

Many providers in the program are already participating in the Affordable Connectivity Program (ACP) and those that aren't are working towards it.

ARPA BIP encouraged the construction of new projects to areas of need. To that end a challenge process was put in place to disincentivize overbuilding ensure that these projects would not be serving areas that weren't unserved or underserved.

Conclusion

OBD is working towards project closeout for a few projects at the time of crafting this report with the vast majority of projects in the ARPA BIP program on track to be completed well before September 30, 2026. The state is also working with the National Telecommunications and Information Administration (NTIA) on the NTIA Broadband Infrastructure Program on projects it was awarded with \$42.2 million while at the same time looking ahead towards the \$1.7 billion allocation through Broadband Equity Access and Deployment Program (BEAD) with the ultimate goal of connecting all Missourians.

⁴ Missouri ARPA Funded Broadband Infrastructure [Grant Guidelines - Final](#)